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AGRICULTURAL COOPERATION

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COOPERATIVE MARKETING OF EGGS AND POULTRY

About seventy farmers' associations in the United States, with approximately 50,000 members, are engaged exclusively in the cooperative marketing of eggs or poultry or both. Many other cooperative associations with a much larger total membership handle eggs incidentally. These egg and poultry associations are located in 18 states. The leading states in regard to the cooperative marketing of eggs are California, Missouri, Washington and Oregon, and the leading states in the cooperative marketing of poultry are Missouri, Minnesota and Washington. In 1925 the six associations in California handled 39 per cent of all eggs marketed cooperatively; the Missouri associations, 22 per cent; and the Washington associations, 21 per cent.

Practically all of the activity worthy of note in the cooperative marketing of eggs and poultry has taken place since 1913 when the first of the existing associations was formed at Tulare, Calif. A second and third association were formed in 1916, a fourth in 1917, a fifth in 1919, and five associations in 1920. Since the beginning of 1921 about 60 organizations have been formed. It is significant, however, that the ten associations organized prior to 1921, with about 25 per cent of the total membership, handled about 75 per cent of the eggs sold cooperatively in 1925. A single association with about 4 per cent of the total membership handled 30 per cent of all the eggs sold cooperatively in that year.

Fifty-two associations have made reports to the U. S. Department of Agriculture which are sufficiently complete to permit a detailed study. These associations had a total membership of 50,511 producers in 1925. Thirty-seven per cent of all the members were in Missouri, 27 per cent in Minnesota, 10 per cent in Washington, and 9.9 per cent in California.

The largest association reported 5,000 members and the smallest, 12 members.

Approximately 5 per cent of the total membership was in 19 associations with from 12 to 500 members each; approximately 23 per cent was in 14 associations with from 501 to 1,000 members each, and 73 per cent was in 17 associations with more than 1,000 members each.

Forty-eight associations handled 2,566,515 cases of eggs which were sold for \$26,529,218. Of the 48 associations, nine handled more than 50,000 cases each; six, more than 100,000 cases each; and two, more than 500,000 cases each. Six associations handled 70.8 per cent of the total, and two associations, 51 per cent.

Reports regarding sales of eggs in 1925 were received from 50 associations. Total sales amounted to \$26,936,459, or an average of \$538,729 per association. Six associations in California reported sales of \$10,414,074; four associations in Washington, sales of \$6,146,226; twelve associations in Missouri, sales of \$5,116,444; and two associations in Oregon, sales of \$1,474,819.

In the case of 32 associations comparable figures are available for the years 1924 and 1925. The increase in the number of cases of eggs handled in 1925 as compared with 1924 was 21 per cent; the increase in total sales was 31 per cent; and the average returns from sales increased from \$9.60 per case in 1924 to \$10.37 per case in 1925.

Besides the associations located in the producing regions there were cooperative sales agencies in the New York, Boston, Detroit, Los Angeles, and St Paul markets. The agencies in the New York market handled 671,746 cases of eggs in 1925, which were sold for \$8,812,559. An agency maintained in the Detroit market by the State Farm Bureau received 3,346 cases of eggs which were sold for \$35,451, and 1,088,865 pounds of live poultry which sold for \$318,000.

The sales agency for the Minnesota group of egg and poultry associations reports the handling of 160,984 cases of eggs in 1925, also 2,074,912 pounds of live poultry and 353,079 pounds of dressed poultry. Sales were as follows: Eggs, \$1,763,650; live poultry, \$465,103; dressed poultry, \$125,898.

A butter and egg sales agency in Los Angeles, serving cooperative associations in the Western States, reports handling 66,815 cases of eggs in 1925 which it sold for \$806,332.

A sales agency in New York City, maintained by duck raisers on Long Island as a market outlet for their bird, reports sales for 1925 to the amount of \$4,500,000.

In Idaho two associations have been formed for marketing turkeys. One of these with 960 members reports sales of \$265,000 for 1925, and the other with 42 members reports sales amounting to \$23,000.

Live poultry was handled during 1925 by 34 associations. These organizations reported selling more than 12,000,000 pounds for \$3,000,000. The largest total sales credited to any one state were \$2,302,670 reported by eleven associations in Missouri. Two Washington associations sold live poultry to the amount of \$346,831; ten in Minnesota, \$312,036; and three in California, \$83,993.

Dressed poultry was handled in 1925 by 15 of the associations reporting to the Department of Agriculture. These associations marketed 4,019,969 pounds of dressed stock with a sales return of \$1,041,587.

An association in Washington which markets baby chicks cooperatively transacted business to the amount of \$36,553 in 1925.

As a number of the associations are increasing their facilities for feeding, fattening and dressing poultry, it is expected that the reports for 1926, when available, will show a large increase in this kind of cooperative activity.

KANSAS COUNTRY ELEVATOR REPORTS FOR SEVEN YEARS

In a little over seven years, total sales of \$1,700,734 were made by the Moscow Cooperative Equity Exchange, Moscow, Kansas. This association was formed in 1919 and is controlled by about 60 farmers. A grain elevator is operated and coal is handled. Since beginning to operate the exchange has paid \$13,074 in patronage dividends, \$1,707 in stock dividends to members, and had on October 27, \$4,656 of undivided profits. For the five months ending October 27, 1926, total sales amounted to \$486,103.

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SOUTH DAKOTA SUMMER WHEAT POOL OPERATES ECONOMICALLY

August first was the closing date of the summer wheat pool of the South Dakota Wheat Growers' Association, Aberdeen. Over 100,000 bushels of wheat were included in this pool which opened February 10. In spite of the small volume the entire cost of marketing was but 12.46 cents per bushel. Average prices were somewhat higher than the association had been able to pay on any other pool since it was organized. Prices on important grades, without premiums, basis terminal, ranged from \$1.65 for No. 1 Dark Northern Spring to \$1.33 for No. 1 Red Durum. Thirty-two thousand dollars was recently sent members in final payment.

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COLORADO GRAIN COMPANY MAKES COMPOSITE STATEMENT

Sales of more than six and one-half million dollars since it began business in 1914, are reported by the Yuma Farmers' Milling and Mercantile Company, Yuma, Colo. Steady growth through each of the 12 years of operation, has attended the work of the company. In 1921 the business had become too large to handle through one house and an elevator was purchased at a nearby point. In 1925 it became necessary to expand again and elevators were built at two additional points. Business amounted to \$940,528, and the 1925 business reached \$1,101,688.

A composite report for the entire period of operation has been prepared by the management, showing the following figures: Sales, \$6,611,221; operating expense, \$462,432; net profit, \$183,628; surplus, \$11,966; dividends paid shareholders, \$137,062; average yearly patronage dividend, \$13,971.

The gross profit of \$314,196 which was made on the total volume of business amounting to \$6,611,221, gives a gross profit of 4.8 cents on the dollar; and the net profit of \$183,628 on the total volume of business amounts to 2.8 cents on the dollar. This leaves an operating expense of only 2 cents on the dollar.

SASKATCHEWAN WHEAT POOL TELLS OF SECOND YEAR'S WORK

The second annual report of the Saskatchewan Cooperative Wheat Producers, Ltd., was presented at the annual meeting of delegates, held in Regina the last week in October. The record of the past crop year showed that the quantity of wheat delivered to the pool was 129,713,876 bushels, or 56 per cent of the wheat marketed in the province. Of coarse grains the pool received 11,349,174 bushels, or 28 per cent of the quantity marketed in Saskatchewan.

A summary of the financial operations of the wheat pool, Fort William basis, gives the following figures:

Realization of crop	\$181,422,769.91
Less carrying charges.....	<u>1,049,316.77</u>
Gross proceeds.....	180,373,453.14
Less expense (net).....	<u>492,972.55</u>
Net proceeds.....	179,880,480.59
Less commercial reserve 907,113.90	
Elevator purposes.....	<u>2,594,267.53</u>
	176,379,099.16
Total paid to growers (Fort William)	\$176,379,099.16

The net expense in connection with the operation of the wheat pool was \$492,972. This included salaries and expenses for general office management, field service, country organization, also expenses of directors and delegates, advertising appropriations, and payments for interest and exchange. Wheat producers received 97 per cent of the Fort William sales value, less transportation charges to that point.

The operations of the coarse grains pool, which included oats, barley, flax, and rye, brought gross returns of \$7,667,025, of which \$7,280,319 was payable to growers. Association expense amounted to \$60,670, and deductions for commercial reserve and elevator purposes came to \$234,168.. This was the first season for the coarse grains pool.

The net cost of operation of the association was a trifle over one-third of one cent a bushel for the grain handled.

During the year the number of contracts increased by nearly ten thousand. One year ago the number was 69,389, covering a total of 9,331,700 acres. At present the organization has 78,785 members, representing 10,492,443 acres of wheat, or about 80 per cent of the seeded acreage of Saskatchewan. The contracts for the coarse grains pool covered 60 per cent of the flax, 38 per cent of the oats, 37 per cent of the rye, and 36 per cent of the barley.

The capital and reserves of the wheat pool amounted to \$5,648,119 on July 31, last. During the 1925-26 season the field-service staff held 800 local meetings and visited 24,000 growers. Country elevators were visited 3,000 times. Nearly 900 local committees assisted in maintaining contact between the central office and the 80,000 members.

THE STORY OF AN ILLINOIS FARMERS' ELEVATOR

At Watseka, Ill., there is a farmer-owned and controlled grain elevator which is similar in many respects to hundreds of other country elevators in the Corn Belt States. This enterprise, the Watseka Farmers' Grain Company, Cooperative, is of special interest because fairly complete information regarding its origin, growth and business policies, is available. In a recent report to the U. S. Department of Agriculture, it is stated that the elevator was incorporated in 1909 with a capital stock of \$8,400 in \$25 shares. During its first year of operation the company handled 262,665 bushels of grain for which it paid \$130,863. It also purchased supplies, largely coal, to the amount of \$8,424. At the close of the first year there were net earnings of over \$3,000. The growth of the enterprise year by year is indicated by the following table:

Year/a	Paid for grain	Value merchandise handled/b	Grain and merchandise	Capital Stock and surplus/c
1910	\$130,863	\$ 8,424	\$139,287	11,996
1911	143,639	13,461	157,100	11,287
1912/d	-----	-----	-----	-----
1913	118,811	15,018	133,829	12,991
1914	184,322	14,567	198,889	21,449
1915	191,355	18,332	209,687	22,921
1916	184,441	20,813	205,254	24,890
1917	279,205	29,648	308,853	39,624
1918	407,694	49,432	457,126	47,250
1919	513,218	60,721	573,939	49,723
1920	246,716	70,434	317,150	50,400
1921	230,451	94,192	324,643	40,721
1922	206,102	93,516	299,618	45,405
1923	237,160	126,401	363,561	53,291
1924	272,688	116,768	389,456	60,146
1925	234,443	141,282	375,725	64,333
1926	190,130	134,071	324,201	73,695

/a Ending September 30. /b Coal, seed, feed, title, implements, etc.

/c Capital stock outstanding, surplus and net earnings.

/d Data not available.

By 1919 the accumulating surplus amounted to about \$40,000. A cash dividend of \$25 a share was declared and the par value of shares was raised from \$25 to \$50. In addition there was a stock dividend, each shareholder being given three shares of the new stock for every share of old stock held by him. These dividends increased the stock holdings from \$25

for a single share to \$200 for four shares. At the close of 1920 outstanding capital stock amounted to \$50,400. At the close of the 1925-26 business year the net worth of the company was \$73,695.

During the 17 years the company has been operating it has paid dividends on capital stock each year, with the exception of two. On four occasions it has paid patronage dividends.

The principal commodities handled have been corn and oats with small quantities of wheat. Among the supplies bought for farmers are coal, implements, tile, feed, fertilizers, seed, salt and fencing. At first the handling of grain was the most important activity, but the purchasing of supplies now represents more than one-third of the yearly business. The quantities of grain handled year by year are given below.:

Grain bought				
Year	Corn	Oats	Wheat	Total
	(bushels)	(bushels)	(bushels)	(busels)
1910	129,126	121,334	11,990	/a262,665
1911	163,391	164,915	/b20,599	/c350,025
1912/d	-----	-----	-----	-----
1913	100,273	160,538	/b 6,934	267,745
1914	220,252	121,205	14,086	355,543
1915	131,133	188,919	27,815	347,867
1916	158,842	164,863	14,677	338,382
1917	124,503	241,615	9,109	375,227
1918	136,099	277,475	34,931	448,505
1919	214,194	209,076	/b39,031	462,301
1920	95,704	95,384	/b15,789	206,877
1921	187,966	219,792	/b26,792	434,244
1922	194,165	148,809	32,496	375,470
1923	216,851	143,773	/b52,063	412,687
1924	199,955	234,313	/b31,226	465,494
1925	139,425	139,199	/b14,057	292,681
1926	184,657	125,250	/b26,706	336,613

/a Including 215 bushels of buckwheat. /b Including rye.

/c Including 1120 bushels of buckwheat. /d Data not available.

The company has the same president with which it started 17 years ago, the same management and the same men on the board of directors, except for two who died in office.

Quarterly meetings are held by the board of directors, and at these meetings complete statements of the activities of the company are presented. At the close of each year the accounts are subjected to a thorough audit.

It is the policy of the company not to store grain but to sell it immediately on receipt. Stocks of farm supplies are kept as low as practical. All accounts receivable are taken care of by notes bearing interest. Small accounts running more than thirty days are charged with interest. All bills are discounted; working capital is obtained from the local bank on notes signed by the president and secretary in their official capacity.

ARKANSAS COTTON GROWERS ISSUE FIELD SERVICE MANUAL

A comprehensive "Field Service Manual" has been prepared by the Arkansas Cotton Growers' Cooperative Association, Little Rock, to be used by its field workers as an aid in presenting the story of cooperative marketing more effectively. The text is brief and concise, while charts, maps and cartoons aid in making the story more graphic. The information, charts, etc., were collected from many sources, including the Division of Cooperative Marketing of the U. S. Department of Agriculture, and the American Cotton Growers' Exchange. Blank pages are provided in order that each fieldman may add to his manual such material as he finds suitable.

The association has provided signs inscribed "Member of the Arkansas Cotton Growers' Cooperative Association, Affiliated with the American Cotton Growers' Exchange," which are to be presented to all signers of the new contract and posted in conspicuous places.

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COTTON ASSOCIATIONS ADOPT NEW SELLING PROGRAM

Both the Georgia and the South Carolina Cotton Growers' Associations have announced that they have stopped selling cotton at prevailing prices. The Georgia association withdrew all offers of sale early in September, following the adoption of the resolution by its board of directors. This association is advancing to its members a flat price of 7 cents a pound. When the cotton is classed, an additional 2 cents a pound is sent on cotton that grades strict low middling white, 7/8 to one inch and better.

The South Carolina Cotton Growers' Cooperative Association, Columbia, has sold no cotton for a number of weeks, but announces that it is prepared to finance and handle for the growers of the state an unlimited portion of the 1926 crop. At the present time it is advancing 8 cents a pound on short staple cotton and 11 cents on long staple, the money being borrowed from the Federal Intermediate Credit Bank.

On October 25, the board of directors of the Oklahoma Cotton Growers' Association, Oklahoma City, adopted a resolution providing for a holding pool. Growers in delivering cotton may indicate that certain bales are to go into the holding pool. This cotton will not be offered for sale until the seasonal pools of like grade and staple have been sold. Cotton in the holding pool is to bear its pro rata portion of total expense of every kind charged to the cotton received by the association. In announcing the action of the board, the management makes it clear that this holding is a purely voluntary matter so far as the grower is concerned, and that the grower assumes all risks. Money is advanced on cotton delivered at the rate of $4\frac{1}{2}$ per cent interest.

FIFTH SEASON FOR TEXAS COTTON ASSOCIATION

Cotton sales amounting to more than \$100,000,000 have been made by the Texas Farm Bureau Cotton Association, Dallas, during its five years of operation. This association began operating in September of 1921 and received 93,802 bales of the 1921 crop. which it marketed for \$9,000,000. The second year it received a smaller number of bales but these were sold for a larger gross amount. Sales for the fourth year were more than \$35,000,000, as will be noted by the following table:

Season	Bales received	Sales/ a	Operating expxenses/ b		Reserves at close of year
			Total	Per bale	
1921-22	93,802	\$ 9,002,335	\$296,261	\$3.16	\$ 89,774
1922-23	77,706	11,176,685	278,946	3.59	210,897
1923-24	182,321	28,866,361	410,400	2.25	392,282
1924-25	284,322	/ c 35,978,407	566,233	1.99	876,507
1925-26	244,320	/ d 23,812,190	495,265	2.03	1,056,515
Total	882,471	108,835,978	2,047,105		

/ a Less allowances, rejections and freight on outbound shipments, as reported by the association.

/ b Less miscellaneous income.

/ c Balance Sheet as of July 15, 1925.

/ d Balance Sheet as of August 31, 1926.

Net operating expenses for the five years amounted to \$2,047,105. This would be an average of \$2.32 a bale for the 882,471 bales received. Operating expenses for the various years have varied inversely with the number of bales handled.

During the five years a reserve of \$1,056,515 has been accumulated, largely from a deduction of one per cent of sales.

Some of the costs of operation are given below:

Season	Operating costs per bale				
	Executive	Directors	Finance	Sales	Field
	(Cents)	(Cents)	(Cents)	(Cents)	(Cents)
1921-22	13.193	17.930	65.635	13.981	11.435
1922-23	24.595	21.570	11.913	23.214	32.614
1923-24	10.651	10.077	7.366	17.823	37.160
1924-25	8.887	7.268	3.903	8.740	43.180
1925-26	3.541	4.860	3.586	1.093	25.673

CONNECTICUT TOBACCO GROWERS' REPORT DECREASED EXPENSES.

In reviewing the activities of the past business year the management of the Connecticut Valley Tobacco Association, Hartford, points out that material reductions had been made in the cost of operating, as compared with the preceding year. There had been a decrease in interest payments on loans of \$31,000, a decrease of \$20,000 in premiums paid for fire insurance on tobacco in warehouses, and a decrease of over \$3,000 in the cost of insurance on tobacco in sheds. There has been a saving of \$5,500 in salaries paid officers, a saving of nearly \$7,000 in the salaries paid the office staff, a saving of nearly \$29,000 in managers' and supervisors' salaries, and a saving of nearly \$29,000 in salaries paid the general manager and his assistant. It is further stated that only in a few instances had there been an increase in expense items. The association received 30,733,017 pounds of tobacco of the 1924-25 crop, compared with 26,428,254 pounds of the 1925-26 crop.

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BURLEY TOBACCO TO BE SOLD AT AUCTION

A new plan for the cooperative selling of Burley tobacco is announced by the management of the Burley Tobacco Growers' Cooperative Association, Lexington, Ky. Eighteen sales houses, located in Kentucky, Tennessee, Indiana, Ohio and Missouri have been established, at which the tobacco delivered by the members of the association will be sold at public auction after being graded and commingled according to grade.

An effort is to be made to sell the entire 1926 crop of the membership during the months of December, January, February and March, using both auction and private sales methods. Tobacco will be received from growers at the same places as heretofore, participating certificates will be issued, and an advance made. After the tobacco has been graded and various lots of the same grade brought together, the product will be offered at auction at the sales houses. It is stated that as rapidly as collections and pool calculations can be made following sales, additional payments will be made to members.

It is further announced by the management of the association that the books of the organization will be closed to new members December 1, and that only the tobacco of the members of the association will be received, graded and sold. Tobacco not sold through the auctions established by the association at the eighteen sales houses will be sold either privately or at public auction at Lexington.

The present tobacco marketing season is the fifth in which the Burley association has been operating. Its first five years' contract expires with the close of the present season. A new contract is being drafted and will be submitted to growers of Burley tobacco before the close of the approaching delivery season.

WASHINGTON APPLE ASSOCIATION REPORTS FOR LAST YEAR

A smaller quantity of apples than usual was packed and marketed by the Spokane Valley Growers' Union, Opportunity, Wash., during the 1925-26 season. Only 66,101 boxes were packed, compared with an average for the preceding thirteen years of 104,000 boxes.

In addition to the packed boxes the Union sold 748,720 pounds of cull apples which netted the growers \$1,123, and 272,480 pounds of culls were withdrawn by the growers for their own use.

The net average prices realized by the association varied from 50 cents a box for the King David variety to \$1.16 a box for Yellow Newtowns. The average net price realized for all varieties was 86 cents.

Receiving, grading, packing, selling and overhead costs came to 40 cents a box. Of the 40 cents, 22 was for the physical handling of fruit, 10 cents for selling and overhead, and 8 cents to meet interest charges.

At the close of the business year the association owned land, buildings and equipment with a depreciated value of \$105,068; outstanding capital stock amounted to \$73,000, and growers' surplus to \$39,800.

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THREE NEW POTATO WAREHOUSES IN COLORADO

New potato warehouses, erected by three local units of the Colorado Potato Growers' Exchange, Denver, are ready for handling the 1926 crop. All are of frost-proof construction, two being frame buildings with insulated walls and ceilings, and the third of adobe brick with a 12-inch air space between the two walls. All are equipped with cull and sack elevators, with overhead hopper sacking bins, roller-type picking tables, and electric power. The cost of the three has been more than \$15,000. These plants will become the property of the growers through common stock which will be paid for by deductions on potatoes delivered.

Comment on the progress being made in proper grading and packing is made by the manager of the Colorado Potato Warehousing Corporation who believes that through these improved methods the Colorado growers are "gradually but surely gaining control of the distribution phases of their business." He states also:

Potatoe grading and packing methods are being revolutionized in Colorado and it is conservative to say that more progress has been made in this direction in the last year and a half than during the ten years preceding. During this short period 12 warehouses, financed by the farmers themselves, have been erected and equipped with the highest type of improved grading and handling machinery. Where a few years ago potatoes moved out from the state for the most part in second-hand, uneven-weight bags, to-day hundreds of cars are rolling in new, branded, even-weight sacks.

STOCKERS AND FEEDERS HANDLED BY CHICAGO PRODUCERS

The Feeder and Buying Department of the Chicago Producers' Commission Association, Chicago, has grown to be an important department of that organization. Some stock was purchased the first year of the association by the regular salesmen, but the department really began business in July, 1923, since which time its growth has been so rapid that it is now rated as one of the largest stocker and feeder departments on the Union Stockyards. During the past fiscal year its purchases totaled 7,263 head of cattle and 65,907 sheep. Two cattle buyers and one sheep buyer are employed.

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REPORT MADE ON COOPERATIVE BACON FACTORIES OF ENGLAND

A report on the Cooperative Bacon Factory Industry of England has been published recently by the National Farmers' Union of that country. In September, 1925, a committee was appointed by the National Farmers' Union "to enquire into and report upon the economic position of the cooperative bacon factory industry and the conditions affecting it, and to make recommendations for the improvement thereof."

The six existing cooperative factories were studied. Two established before the war have operated at a fair profit; of the four established since the war, three have lost money and at present are not curing bacon. Their history, organization and practices were investigated and certain recommendations were made. Among these recommendations were the following: (1) That committee control of factories should be abolished and that an executive committee of not more than five members should be chosen on the basis of their business ability; (2) that the factories establish some sort of a central bureau, probably under the auspices of the National Farmers' Union, in order to set up uniform systems of accounting, to pool information, and to carry on commercial research; (3) that, in order to meet competition, the British factories should, as a general rule, abandon the dry-cure method and use the less expensive tank-cure method; (4) that the factories should concentrate on the production of Wiltshire sides. At present nearly the whole of this business to the amount of £22,000,000 goes to Denmark.

After a statement regarding the methods and extent of the Danish bacon industry, the committee further recommends: that sales be made through a cooperative selling agency; that any faulty methods of curing be abandoned; and that the three factories temporarily suspended should for the present either utilize their factories as abattoirs and concentrate on furnishing the markets with fresh meat, or that they should lease their factories to some established curing firms. It was also suggested that no further extension of the business be made at the present time.

WHY ASSOCIATIONS SHOULD INCORPORATE

Although nearly all of the states have one or more statutes expressly providing for the incorporation of cooperative associations, there are still many unincorporated associations. There are advantages in incorporation.

The reason generally given first for the incorporation of any corporation is limited liability on the part of the members or stockholders. The general rule is that the members or shareholders of any incorporated organization, after they have paid the amount which they agreed to pay for stock or membership dues, are not liable to creditors of the association; and the general rule is that, if they have not paid for their stock or their membership dues, they are liable to creditors only for the unpaid balance on their stock or dues.

The situation is in marked contrast to the liability of members of unincorporated associations. Broadly speaking, the liability of members of an unincorporated business association is similar to that of partners. In some instances, in the case of unincorporated associations, only the particular members who authorize a transaction, or who ratify the same, are liable on account thereof.

In some cases the members of a committee appointed by an unincorporated association have been held liable to persons on account of business transactions. Sometimes the so-called officers of an unincorporated association have been held liable. Generally, a person having a claim arising out of a transaction entered into with an unincorporated association, or a committee thereof, or its officers, may sue those particular members or representatives of an association that he deems it advisable to sue and, of course, this would mean the filing of suit against the members or representatives who were strongest financially. As indicated, all this is in sharp contrast with the situation involving incorporated associations, in that, as a general rule, the officers, members or representatives of an incorporated organization are not liable for its debts.

A corporation is a legal entity and may take and give title to property within its charter powers just the same as a natural person, while in the case of an unincorporated association, difficulties are encountered frequently with respect to this matter. Again, at common law, and this is the case in a number of states at the present time, an unincorporated association may not sue in its own name, but suit must be brought in the names of all of its members.

The advantages of incorporation are so obvious that it would seem advisable for all unincorporated associations which are doing any appreciable volume of business to incorporate, and by so doing the organization will have indefinite duration, or for the period named in the charter, barring an earlier dissolution by operation of law.

L. S. Hulbert.

BURLEY ASSOCIATION IN INDIANA APPELLATE COURT

In the case of the Burley Tobacco Growers' Cooperative Association v. Rogers, decided by the Appellate Court of Indiana, 150 N. E. 384, it appeared that the association brought suit for the recovery of liquidated damages, expenses and attorneys' fees.

The association demurred to the answer filed by defendant, but the court overruled this demurrer and sustained one to the complaint, thus holding that the answer was good and the complaint bad. The association then appealed. The higher court reversed the lower court, thus holding that the complaint was good. It also passed upon the sufficiency of allegations in the answer of the defendant. It held that all allegations covering statements made by the promoters previous to the formation of the association relating to specific advantages to be obtained through the association were simply matters of opinion which would not sustain a claim of fraud, and that other similar statements were superseded in the final agreement.

The court, however, held that the statement in the answer of defendant "that they had purchased all the tobacco warehouses and all the loose leaf tobacco in Indiana and elsewhere" was a statement purporting to deal with an existing fact, but there is an intimation in the opinion that, perhaps, this statement would not afford a basis for defense as the association was not organized at the time it was made and, therefore, could not have had agents at that time.

The court expressly held that the contract had consideration and also pointed out that consideration moved, not only from the association "but from each of the growers signing the contract."

L. S. Hulbert.

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UNFAIR COMPETITION THROUGH SIMILAR NAMES

The Umpqua Broccoli Exchange, a cooperative corporation, brought suit against the Umpqua Valley Broccoli Growers for the purpose of enjoining that organization from using as its corporate name, or transacting business under the name of "Um-Qua Valley Broccoli Growers," or any name with the combination of the words "Umpqua" or "Um-Qua" and "Broccoli" therein.

This case was passed upon by the Supreme Court of Oregon, 245 P. 324. The trial court refused to grant the injunction and the Supreme Court of the State affirmed its decision. Attention is called to the following quotations from the opinion in the case:

A corporate charter grants no immunity in the use of a deceptive name. The same rule applies to corporate names as applies to the names of natural persons. The name may be used,

but only if used honestly. A name selected and adopted for the purpose of deception, and calculated to produce it, will be enjoined. Corporate names will be protected from imitation constituting unfair competition. Injunction will be refused where no probability of deception by reason of the name is shown. Priority in adoption and use usually confers the superior right. In cases of alleged conflict of corporate names a court of equity is guided by the same principles that are applied in the protection of individuals in the use of trade-marks and trade-names. The question for consideration is whether the public purchasing the commodity or service in question will probably be deceived to the injury of the plaintiff....

In any case, to entitle the complaining corporation to an injunction, the name used by defendant, when not the same as that of plaintiff, must be so similar thereto that, under all circumstances of locality, business, etc., its use is in itself reasonably calculated to deceive the public and result in injury to plaintiff, or else it must be used fraudulently in such a way as to have that effect.

It appeared that the plaintiff was incorporated before the defendant was incorporated, but that a number of the growers interested in the defendant corporation had shipped their product under the name of "Um-Qua Valley Broccoli" prior to the incorporation of the plaintiff. In this connection the court said that:

Persons, desiring to incorporate under a name they have previously used as the name of an organization not incorporated, are not barred from so doing because of the fact that others had incorporated under that name subsequent to the time they began to use it as the name of an unincorporated organization. If they were the first to use the name and to become known by it, they can not be denied the right to incorporate under that name because others have adopted their name and preceded them in incorporating under it. Any damage resulting to the plaintiff from such incorporation is chargeable to their folly in choosing a name already in use.

No fraud or deception was shown in the case and the public apparently was not misled. Therefore, the court held that the plaintiff was not entitled to an injunction, but as indicated, a corporation will be enjoined in a proper case from using a name similar to that of another corporation where such name is being used for the purpose of securing business leading the buyer to think that he is dealing with the latter corporation.

L. S. Hulbert.

COOPERATIVE BUYING IN WEST VIRGINIA

Ten county farm warehouses in West Virginia are transacting business amounting to over half a million dollars a year, according to a recent survey by the department of farm economics of the West Virginia University. These warehouses, promoted by the county farm bureaus, are in the nature of supply stores, purchasing feed, flour, fertilizer, salt, lime, etc., for the farmers. One warehouse association handled 110 car loads of supplies during a single business year. Another association handled 87 car loads; and the least active association, 15 car loads. The value of the supplies sold per association varied from \$12,000 for an eight-month period to \$112,000 for a full year.

In addition to the data from the supply associations, information was obtained regarding five car-door associations, also promoted by county farm bureaus. These associations are making purchases of about \$10,000 a month. For one year their purchases included 82 cars of feed and flour, 49 cars of lime, 38 cars of fertilizer, and 8 cars of salt.

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MIDWEST FARMERS HAVE MUTUAL AUTOMOBILE INSURANCE

Mutual automobile insurance for farmers' cars is now available in seven Midwest States. The first farmers' organization to give complete coverage is said to be the Farmers' Automobile Insurance Association, organized by the Tazewell County Farm Bureau at Pekin, Ill. Similar coverage on a somewhat different plan was worked out by officers and directors of farm mutual insurance companies in Illinois, resulting in the organization of the State Farm Mutual Insurance Company of Bloomington, Ill. It is reported that during the past year the State Farm Bureaus of Missouri, Indiana, Tennessee, South Dakota, and Minnesota have accepted state agencies of the Illinois company, and the Michigan State Farm Bureau has recently taken similar action. The Farm Bureau Mutual Automobile Insurance Company of Ohio, which operates on the same plan has enrolled 4,263 members in the past six months.

According to a recent announcement, the Illinois Agricultural Association has under way the organization of a mutual automobile insurance company to which owners of cars, who are members of the association will be eligible.

The general plan is simply one of farmers providing and financing their own automobile insurance. Policies are issued to cover theft, fire, public liability, property damage, and collision.

The State Farm Mutual Automobile Insurance Company has been operating successfully for four years and during 1925, according to a report of the company, the premium was 135 per cent of the three previous years' business, indicating a large increase in the number of policy holders.

OHIO IS HOLDING FIVE COOPERATIVE INSTITUTES

Plans for a series of cooperative institutes, similar to those held in the early spring, have been made by the Ohio Farm Bureau Federation.* A program covering two days has been arranged and will be repeated in each of five cities, beginning November 16 and concluding December 3. Among the subjects on the program the following are noted: General Fundamentals and Economic Principle Underlying Organization of Cooperatives," "The Cooperative as a Business Machine, " "Responsibilities of Cooperative Management and Operation." The second afternoon will be devoted to commodity discussion, including livestock marketing, dairy marketing, and fruit and vegetable marketing. A get-together dinner will be concluded with a talk on community cooperation and another on a business man's view of cooperation. Specialists from the Ohio State University have prominent parts in the program.

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NEW ENGLAND MILK PRODUCERS START FIELD WORK

In the opinion of its managing director, the New England Milk Producers' Association, Boston, Mass., is a great educational institution in the field of dairy marketing. According to his conception it is the duty of the association "to promote a more through understanding of conditions, the proper solution of which are essential to the maintenance of the industry" in New England.

This association has been functioning for nine years and has been slowly increasing the number of its activities. While its principal business has been that of negotiating with the milk distributors relative to the price to be paid for milk, a vast amount of energy has been expended by the management in helping to increase the demand for milk, in urging the production of a high-grade product, and in pointing out that "it should be the great aim of the industry to provide marketing facilities under its own control, which would provide an outlet for all the product all the time, equitably distributing back to the producers the proceeds of the sales."

The managing director reported an active membership of 19,718 as of September 30, 1926. During the twelve months preceding the annual meeting, a field department was created and men were put in the field to inform the membership regarding association activities.

The income of the organization for its last business year amounted to \$64,259, and expenses to \$70,749. Assets at the close of the year were \$13,522, including \$3,055 in cash.

REPORTED BY THE ASSOCIATIONS

The purchasing department of the Indiana Farm Bureau Federation, Indianapolis, handled 16,881 tons of fertilizer for its members this fall, compared with 15,841 tons a year ago.

At a meeting held at Fresno, Calif., October 25, 1926, it was decided to form a cooperative service agency to function in connection with the marketing of the annual California grape crop.

Sales amounting to \$558,468 were made by the Farmers' Union Service Association, Des Moines, Iowa, during the ten months ending August 31, 1926. The association succeeded the Farmers Union Brokerage Company and the Farmers' Union Exchange.

Cotton grown by members of the Missouri Cotton Growers' Cooperative Association, New Madrid, Mo., will be handled by the Arkansas Cotton Growers' Cooperative Association, on the same basis as the crops of the past two years have been handled.

At the tenth annual meeting of the Michigan Milk Producers' Association, Detroit, held in October, a report dealing with the subject of milk pools was received. As the milk delivered by the members of this association is not pooled, a study is being made of the advantages and disadvantages of pooling.

A juice extractor for household use has been developed by the Florida Citrus Exchange, Tampa. By holding the patent rights on the extractor the Exchange is able to insure its being offered for sale at a low price. It is expected that the extractor will result in an increased consumption of citrus fruits.

Shipments of feed by the Eastern States Farmers' Exchange, Springfield, Mass., for the twelve months ending September 30, reached a total of 121,249 tons, compared with 103,931 tons for the preceding year. Twenty-two new delivery stations in Pennsylvania and Maryland were added during the year. A department for handling paints has been established recently.

During the year ending June 30, 1926, the Wenatchee District Cooperative Association, Wenatchee, Wash., sold apples to the value of \$1,501,272, and handled supplies for its members to the amount of \$398,950. Central operating expenses came to \$95,488, and earnings of \$7,887 brought the net central operating expenses to \$87,601. Local operating expenses for the 18 member units came to \$52,934, making a total of \$140,535. The association owns real estate, buildings and equipment to the value of \$199,869. Among its liabilities are included certificates of indebtedness to the amount of \$35,904.

COPIES OF AGRICULTURAL COOPERATION FOR FIELDMEN

Boards of directors of cooperatives desiring that copies of this circular be sent to their fieldmen are requested to forward the names and mail addresses of the fieldmen to the Division of Cooperative Marketing, Department of Agriculture, Washington, D. C. Sample copies will be forwarded to all names received and those who indicate a desire to receive the circular regularly will have their names placed on the mailing list.

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PRELIMINARY REPORT DEALS WITH PROTEIN CONTENT OF WHEAT

Part II of the Study of Farmers' Elevators in the Spring Wheat Area, is completed and now ready for distribution by the Division of Cooperative Marketing, Washington, D. C. This section is entitled "Variation in the Protein Content of Spring Wheat, Especially the 1924 Crop, and the Effect of Such Variation on Prices Received and Marketing Methods Used by Farmers' Elevators." A chart and several tables aid in presenting the information.

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LIST OF PUBLICATIONS ON FARMERS' ASSOCIATIONS

"A List of Publications on Farmers' Cooperative Associations," has been prepared by the Division of Cooperative Marketing, U. S. Department of Agriculture, and is available for distribution. The publications listed are grouped as follows: Selected Bulletins Issued by the Division of Cooperative Marketing, Other Bulletins Relating to Cooperative Organization, Preliminary Reports (Mimeographed), Addresses (Mimeographed,) Miscellaneous Publications (Mimeographed), and Biweekly Circular (Mimeographed).

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REVISED LIST OF FARMERS' ASSOCIATIONS AVAILABLE

The "List of Farmers' Business Organizations" issued in 1923 has been revised under date of June, 1926. The revised list is in sixteen sections and contains names and addresses of about ten thousand active organizations, grouped according to principal commodities handled and states in which located. Key letters show kinds of produce sold and kinds of commodities purchased by the different organizations. Copies of the list can be procured from the Division of Cooperative Marketing, U. S. Department of Agriculture, Washington, D. C.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Capper, Author. Take a Tip From a Neighbor. The Cooperator, Minneapolis, November 1, 1926, p. 5.
- Fawcett, C. J. Some Fundamentals in Wool Marketing: Why Problems Peculiar to the Wool Crop Can Best Be Handled by Farmers Themselves. Iowa Homestead, Des Moines, Iowa, October 28, 1926. p.1594.
- Hirth, William. Corn Belt Committee Endorses Producers' Contract. Missouri Farmer, Columbia, Mo., November 1, 1926, p. 3.
- International Labour Office. The Cooperative Movement in Soviet Russia. (Studies and Reports, Section H (Cooperation), No. 3.) Geneva, 1925, 362 p.
- Klein, Jack. Cooperation and Quality Bring Success. California Cultivator, Los Angeles, November 6, 1926, p. 491.
- Jesness, O. B. Cooperative Marketing and Production Control. The Tobacco Planter, Hopkinsville, Ky., October, 1926, p. 2.
- Lardis, B. Y. The Cooperative Marketing Movement. Handbook of Rural Social Resources. University of Chicago Press, Chicago, 1926, p. 107 - 118.
- Lowden, Frank O. Denmark's Place in Agriculture. The Farmer, St Paul, November 6, 1926, p. 1547.
- Pce, Clarence. More About Our Cotton Problems: Big Issues That Affect Every Cotton Farmer's Welfare. Progressive Farmer (Texas Edition), Dallas, October 23, 1926, p. 1023.
- Taylor, Carl C. Agricultural Organization in the United States. In three parts: I. Early Agricultural Organizations. II. Farmers' Organizations Since 1900. III. Present Tendencies in Farmers' Organizations. Rural America, New York, May, June, September, 1926.
- Vann, H. J. Peanut Association Wins Great Victory: Virginia and North Carolina Farmers Rally to Cause of Cooperative Marketing. Progressive Farmer, Raleigh, November 6, 1926, p. 1150.
- Weed, A. R. Ohio Wool Growers Market Cooperatively. Successful Farming, Des Moines, November, 1926, p. 12.

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